Department of Justice

United States Attorney Joseph H. Hogsett
Southern District of Indiana

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CONTACT: MARY BIPPUS
(317) 229-2403
mary.bippus@usdoj.gov

UNITED STATES ATTORNEY'S OFFICE RECOVERS OVER ONE MILLION DOLLARS IN HEALTH CARE FRAUD CASE AGAINST HOSPITAL

PRESS RELEASE

Joseph H. Hogsett, United States Attorney, announced today a recovery from Gibson General Hospital ("Gibson"), a hospital operating in Princeton, Indiana. The recovery will result in a total payment of $1,069,840.36 in damages to the United States as compensation for an estimated loss to the Medicare and Medicaid programs of $538,920.18.

"The civil False Claims Act was created to serve as a tool for combating fraud, waste and abuse in federally funded programs," Hogsett stated. "This recovery sends the message that health care providers must comply with various applicable state and federal regulations when billing the United States Government for services, or they will face significant consequences."

In 2009, a former employee of Gibson General Hospital filed a sealed complaint or "whistleblower" lawsuit against Gibson under the civil False Claims Act in the Evansville Division of the United States District Court for the Southern District of Indiana. The complaint alleged that Gibson engaged in conduct to defraud the Medicare and Medicaid programs. Specifically, the complaint alleged that patients received out-patient surgical services at a free-standing ambulatory surgery center, which was not owned by Gibson, but that Gibson billed these services as though they were actually provided at its hospital.

The whistleblower's complaint led to an investigation conducted by the Department of Health and Human Services, Office of the Inspector General, and the Indiana Attorney General's Office Medicaid Fraud Control Unit, in coordination with the United States Attorney's Office and the United States Department of Justice in Washington, D.C.

According to Assistant United States Attorney Shelese Woods, who handled the case for the United States, the False Claims Act provides that when a whistleblower or "relator" files a

lawsuit alleging fraud under this statute, he or she is entitled to between 15 and 25 % of the government's recovery. "This encourages people to come forward when they see fraud occurring," said Woods.

Based on the allegations in the complaint, the estimated loss to the Medicare and Medicaid programs was $534,920.18. Gibson agreed to pay $1,069,840.36 to the United States, two times the amount of the loss.

Gibson also agreed to pay $9,260.73 to the State of Indiana. Indiana Attorney General Greg Zoeller said, "This case provides another example of how the courage of private whistleblowers who use the tool of the False Claims Act can assist the state and federal government in stopping fraud. The Attorney General's Medicaid Fraud Control Unit appreciates the collaborative work of our federal colleagues to secure repayment of Medicaid funds from the ineligible providers and deter those who might attempt a similar scheme."

In agreeing to these terms, Gibson denied all liability under the False Claims Act. In investigating the case, HHS did not uncover any evidence of injury or harm to patients as a result of the alleged conduct.

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